

# No party able to claim victory in Australian election

James Cogan  
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Official politics is in disarray in Australia, with neither the governing Liberal-National Party Coalition nor the opposition Labor Party yet able to claim victory in the July 2 “double dissolution” election for all seats in both houses of parliament. When vote counting stopped on Saturday night, at least 13 of the 150 seats in the lower house were too close to call.

The Australian Electoral Commission is indicating that the Coalition has so far secured just 64 seats and Labor 69, with 76 needed to form government. One Green, two so-called independents and up to three right-wing populists appear likely to hold as many as six “crossbench” seats and be the kingmakers in a possible hung parliament.

With millions of postal and pre-poll votes still to be counted, a result may not be known for two weeks. The result for the upper house, the Senate, could take a month to be finalised. It is clear, however, that neither of the major parties will control the Senate, with the balance of power to be held by the Greens and other parties.

The outcome is an unmitigated disaster for Prime Minister Malcolm Turnbull, who became Liberal leader last September through the factional ousting of Tony Abbott. Turnbull called the double dissolution election with the objective of securing a majority in both houses. Instead, he faces the prospect of trying to form a minority government, or losing office altogether.

The 2016 election marks a definite turning point in the crisis that has wracked the Australian political establishment over the past nine years. Masses of people, after decades of falling living standards under both Labor and Coalition governments, are deeply alienated from, and hostile toward, the longstanding two-party system.

In 2007, the Coalition lost government in a landslide to Labor. John Howard became the first prime minister since 1929 to lose his seat. The 2010 election, which was called by Julia Gillard following an unprecedented political coup inside the Labor Party to oust Kevin Rudd as prime minister, resulted in a debacle for Labor and the first minority government since 1941. In 2013, the Greens-backed Labor government was thrown from office, with Labor recording its lowest vote in 110 years.

Now, not even three years later, the Coalition has suffered a shipwreck. If Turnbull does lose power, the position of

Australian prime minister will have changed six times in just six years and the Coalition government will be the first not to win a second term since 1931.

The historic dimensions of the breakdown of the two-party system are expressed sharply in the underlying slump in Labor’s primary vote—its share of the national vote slightly increased from its 2013 low but is still the second lowest on record.

Voters turned in unprecedented numbers to so-called “minor parties” and independents, which polled 13 percent of the national vote in the lower house and 26 percent in the Senate. Deputy Labor leader Tania Plibersek bluntly admitted this morning: “We don’t have two parties anymore; we’ve got a plethora of choices out there.”

Virtually the entire Australian establishment, most prominently the Murdoch-owned newspapers, the financial press and business associations, advocated and confidently predicted the election of a majority Coalition government. Instead, large numbers of people who are enduring stagnant or falling incomes, insecure work or unemployment, uncertain retirements and deteriorating social services, cast a protest vote in despair against the entire political setup.

The parallels with the presidential primaries in the United States and the recent Brexit referendum in the United Kingdom are striking. A massive disconnect exists between the ruling class and masses of ordinary working people, fuelled by a widening social gulf between rich and poor.

As with the support won by Donald Trump in the US and the Leave campaign in the UK, the primary beneficiaries, at this stage, have been reactionary, anti-immigrant nationalist forces. The chief political responsibility for the emergence of these dangerous right-wing formations lies with the Labor Party and trade unions, which have also whipped up xenophobia against foreign workers and investment, and created the social crisis which various demagogues are utilising.

In South Australia, the state-based populist Nick Xenophon Team won over 20 percent of the vote, at least three Senate seats and possibly two lower house seats. In Queensland, the anti-immigrant One Nation won over 9 percent of the Senate vote, propelling its leader, Pauline Hanson, into the upper house. One Nation appears likely to win Senate seats in other

states as well. In Victoria, media shock-jock Derryn Hinch has been elected into the Senate. In Tasmania, former intelligence official and whistle-blower Andrew Wilkie was re-elected into the lower house and the right-wing populist Jacqui Lambie held her Senate seat.

The Coalition was repudiated most strongly in the outer working-class suburbs of the major cities and regional towns, which have been devastated by decades of economic restructuring and now face even worse conditions as Australia slides toward its first recession in 25 years. The Labor Party's populist campaign of accusing the Coalition of planning to privatise the public health insurance scheme, Medicare, had a definite impact on sections of workers and retirees, even though Labor governments have also systematically eroded the public health system. On this dishonest basis, Labor was able to claw back a number of lower house working-class and regional seats.

The election is a major blow to the Greens and their new leader Richard Di Natale. The Greens did not win any additional seats in either the lower or upper houses, and polled less than 10 percent nationally. The result serves to consolidate the Greens as the party of privileged layers of the middle class in the inner suburbs of the major cities, with little support in the working class.

Bitter recriminations against Turnbull are now tearing through the Liberal Party. Leading right-wing commentators are calling for his resignation and there is rampant speculation that he will face a leadership challenge from Abbott. A split in the Liberals cannot be ruled out. There are growing numbers of calls in the media for a new election to be held.

With the conservative parties in turmoil, Labor leader Bill Shorten has insisted that a new election should not be called. Instead, Labor will "do everything we can to make this parliament work." Labor powerbrokers have gone public with demands that no challenge to Shorten's leadership be launched within the party.

Both Turnbull and Shorten have made approaches to the crossbench members with a view to forming a minority government. The possibility of such a government, however, with one of the major parties beholden to the parochial whims of independents or Xenophon Team candidates, is viewed with horror in financial and business circles. In the face of the deteriorating economic situation internationally and the collapse of Australia's mining export boom, incessant demands are being made for savage cutbacks to public spending in order to finance corporate tax cuts and reduce the budget deficit, and for sweeping cuts to wages and working conditions.

While it has not found overt expression, the American ruling class, which relies on Australia as a key ally in its ever-more bellicose drive toward a military confrontation with China, particularly in the South China Sea, will be no less dismayed by the outcome. Behind-the-scenes, Washington will undoubtedly try to use its influence to engineer an outcome to ensure Canberra remains a reliable military partner.

A sense of bewilderment and rage pervades the corporate media over the election outcome.

Today's *Australian Financial Review* editorial stated: "The 2016 election confirms the Australian political system's failure to reach a workable consensus on how to deal with the end of Australia's China mining boom.... this will impose significant costs such as through the likely loss of the nation's AAA sovereign credit rating." The editorial concluded: "Without change, it will likely take an *imposed crisis* to force the system to deal with the national challenges Australia cannot ultimately avoid" [emphasis added].

An "imposed crisis" could range from a financial crisis triggered by an exodus of international capital, or the fabrication of a national security "emergency," to a sharp escalation of US and Australian military tensions with China.

Pointing in the direction to which the establishment parties may well be pressured by economic or political shocks, the *Australian* editorial today asserted: "At a time when we could well do with a government of national unity we are confronted by a fractious and palpable inability to govern."

The Labor Party would have to play the primary role in any such "national unity" regime, repudiating all its populist promises and working with the conservatives to ride roughshod over the opposition of masses of people to the agenda of austerity, economic restructuring and militarism being demanded by the financial and corporate elite.

However the political impasse is worked out over the coming days and weeks, Australian capitalism has descended into a historic crisis that will lead to unprecedented social and class conflict. The election campaign conducted by the Socialist Equality Party, in laying down the socialist and international perspective and program that the working class needs in order to fight for its independent interests, will prove crucial in the period ahead.



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